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TO: Pamela Scales, Director
Budget Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 4, 2007

RE: 2007-2008 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Finance Department Director
Charletta McInnis, Budget Department Team Leader
Kandia Milton, Mayor's Office

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Budget Department (12)

FY 2007-08 Budget Analysis by the Fiscal Analysis Division

Summary

The Budget Department is a General Fund Agency. The recommended 2007-08 budget totals \$2.83 million. The department's net tax cost is \$2.83 million, which is \$83,000 more than the current year.

FY 2006-07 Surplus/(Deficit)

There is a projected surplus of \$187,268 for the current fiscal year due primarily to an appropriation surplus resulting from departmental vacancies and savings on overtime.

Overtime

The 2006-07 FY \$15,000 is budgeted for overtime. As of March 31, 2007 the Budget department has spent \$9,408 in overtime. However, overall year-to-date, Budget has spent \$17,371 (115.8%) in overtime. The 2007-08 budget for overtime remains \$15,000.

Personnel and Turnover Savings

In the 2007-08 Proposed Budget, the Mayor recommends no turnover savings in this department.

The Mayor recommends no changes in the number of budgeted positions for the department.

Following is information by appropriation comparing budgeted FY 2006-07 positions, March 31, 2007 filled positions and FY 2007-08 recommended positions.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 3/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Budget (12):					
00226 Budget Department Operations	<u>23</u>	<u>23</u>	<u>23</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>23</u>	<u>23</u>	<u>23</u>	<u>0</u>	<u>\$ -</u>

Significant Changes in Funding by Appropriation

Appro. Program

00226	Budget Department Operations	The Budget Department's proposed FY 2007-08 Budget increase slightly by \$82,733, due primarily to a \$95,479 (6.69%) increase in Salary & Wages, a \$13,325 increase in Operating Supplies, an \$8,490 increase in Operating Service, an \$8,786 increase in Capital Equipment offset by a \$36,352 (3.48%) decrease in Employee Benefits and a \$6,995 decrease in Fixed Charges.
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Budget (12)

Budgeted Professional and Contractual Services by Activity	FY 2006-07 Budget	FY 2007-08 Recommended	Increase (Decrease)
Budget Operations	\$ 5,000	\$ 5,000	\$ -
Total	\$ 5,000	\$ 5,000	\$ -

Issues and Questions

Pg. 12-4 Budget Operations Measures and Targets- Outputs: Units of Activity directed toward Goals

For the three measures listed below, the average number of days turnaround will decrease significantly in the current (2006-07) and subsequent (2007-08) fiscal years, according to Budget Department projections.

- For the three categories listed below, what measures are planned to improve on the average number of days turnaround from the 2005-06 actual levels, to the projections for 2006-07 and 2007-08?

	2004-05 Actual	2005-06 Actual	2006-07 Projected	2007-08 Target	*2006-07 Avg. # Days Improvement Over 2005-06	*2007-08 Avg. # Days Improvement Over 2005-06
Average number of days turnaround on Personal Service contracts	14	26.7	14.5	14.5	<u>*12.2</u>	<u>*12.2</u>
Average number of days turnaround on personnel letters	8	23.9	11.1	8	<u>*12.8</u>	<u>*15.9</u>
Average number of days turnaround on Finance/Council letters	12	28.4	11.9	11.9	<u>*16.5</u>	<u>*16.5</u>

**Average number of days improvement on turnaround over 2004-05*

Pg. 12-4 The 2006-07 projection is down significantly from 671 to 184 (72.578%) for total citizen participation in the Citizen Budget Program. What's the rationale for a targeted improvement from 184 to 800 (334.78%) in the 2007-08 FY?

- To date, how much of a savings has the switch to the PBX phone system provided?
- Has the PBX phone system provided the City the amount of savings initially projected? If not, why?
- Are there any plans to expand the switch to PBX phones citywide?

According to the Budget Department's April 1, 2007 surplus deficit report, the Budget Department has projected surplus of \$187,268 for the current fiscal year due primarily to an appropriation surplus resulting from departmental vacancies and savings on overtime. As of March 31, 2007 the Budget department had spent \$9,408 (62.7%) in overtime, of an annual \$15,000 overtime budget. The department year-to-date, however, has spent \$17,371 (115.8%) in overtime.

- How accurate is the projected \$187,268 surplus for the Budget Department if one of the components for the surplus is overtime savings, which is currently over budget?

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